UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re	)	
655 CORPORATION,	)	CHAPTER 11
	)	CASE NO. 06-13020-JNF
Debtor.	)	

STIPULATION BY AND BETWEEN
CHAPTER 11 TRUSTEE AND CATHAY BANK

This Stipulation dated this 24th day of December, 2009, by and between Mark G. DeGiacomo, the duly appointed Chapter 11 Trustee of the above-captioned bankruptcy estate (the "Trustee") and Cathay Bank ("Cathay Bank" or "Cathay").

WHEREAS, on September 1, 2006, 655 Corporation (the "Debtor") filed a voluntary petition pursuant to Chapter 11 of the Bankruptcy Code ("Petition Date"); and

WHEREAS, on October 4, 2007, this Court entered an order requiring that the Office of the United States Trustee appoint a Chapter 11 Trustee for this bankruptcy estate; and

WHEREAS, on October 5, 2007, the Trustee was appointed as the Chapter 11 Trustee of this bankruptcy estate; and

WHEREAS on November 27, 2006, Cathay Bank filed a proof of claim identified as Claim No. 18 on the claims register which asserted a secured claim in the amount of $6,048,053.97, which Cathay Bank indicated was secured by the Debtor's building located at 655 East Second Street, South Boston, Massachusetts; and

WHEREAS, subsequent to his appointment the Trustee has completed the sale of all of the condominium units and parking spaces located in the subject building; and

WHEREAS, substantial payments have been made by the Trustee to Cathay Bank pursuant to various court orders; and

WHEREAS, Cathay Bank asserts that, net of payments received, it has a remaining, unpaid allowed secured claim in the amount of $1,027,189.25; and

WHEREAS, on October 30, 2009, the Trustee filed an objection to the Cathay Bank proof of claim; and

WHEREAS, the Trustee has raised, formally and informally, issues concerning the applicability of §§ 506(b) and (c) of the Bankruptcy Code; and

WHEREAS, pursuant to prior entered orders of the Bankruptcy Court, including the Stipulated Order dated June 1, 2009, as well as an agreement between and among Cathay, the Trustee and LBM Financial LLC ("LBM") in its capacity as a prepetition and debtor-in-possession financing lender, disbursement of funds by the Trustee towards Cathay's secured claim is to be made eighty-percent (80%) to Cathay with the remaining balance of sale proceeds to be allocated between LBM and the Trustee per the terms of said Stipulated Order.

WHEREAS, the Trustee and Cathay Bank have reached an agreement concerning the treatment of the Cathay Bank proof of claim and the distribution to be made to Cathay Bank.

NOW THEREFORE FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the Trustee and Cathay Bank stipulate and agree as follows:

1. In order to avoid the cost and risks of what could be complex and lengthy litigation, the Trustee shall pay to Cathay Bank the amount of $500,000 (the “Settlement Payment”), which Settlement Payment shall constitute and conclusively be deemed to be eighty percent (80%) of Net Proceeds payable to Cathay Bank from the proceeds of sale of Cathay Bank's collateral pursuant to the Stipulated Order dated June 1, 2009. Upon receipt of the

Settlement Payment, Cathay Bank shall promptly file a withdrawal of its proof of claim filed on May 24, 2007 in the amount of $5,932,683.42 and identified as Claim No. 8 filed in the case of Barry L. Queen, Docket No. 06-12161.

2. The Settlement Payment shall be free and clear of all liens, claims, debts, demands, liabilities, actions and causes of action and encumbrances including but not limited to any claim of LBM and shall be in full and final satisfaction of any claim of Cathay to further distribution from the Trustee or the bankruptcy estate.

3. Nothing herein is intended to prejudice any claims, debts, demands, rights, actions, cause of action or liabilities which Cathay may hold or allege to hold against any party other than the Trustee and the bankruptcy estate.

4. All of the remaining funds in the bankruptcy estate shall be held by the Trustee to be disbursed in accordance with the priorities set forth Section 507 of the Bankruptcy Code to the holders of allowed claims in this case.

Mark G. DeGiacomo, Chapter 11 Trustee of
655 Corporation,

By his attorney,

/s/ Taruna Garg
Thomas S. Vangel (BBO #552386)
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Cathay Bank

By its attorney,

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